

United States Department of the Interior Bureau of Land Management

Finding of No Significant Impact and Decision Record Environmental Assessment DOI-BLM-UT-9100-2011-0001-EA

August 2011

August 2011 Oil and Gas Lease Sale

Location: Fillmore City Field Office
Millard and Juab Counties, Utah

Applicant/Address: U.S. Department of the Interior
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INTRODUCTION

The Bureau of Land Management (BLM) has conducted an environmental analysis (EA) (DOI-BLM-UT-W020-2011-0009-EA) in order to address 10 lease parcels nominated within the Fillmore Field Office (FFO) for the August 2011 Oil and Gas Lease Sale, consisting of 11,112.38 acres in Millard and Juab Counties. The proposal will provide all 10 parcels for inclusion in the August 23, 2011 quarterly oil and gas lease auction. This action provides for the orderly development of fluid mineral resources under BLM's jurisdiction in a manner consistent with multiple use management and environmental consideration for the resources that are present. Adequate provisions are included with the leases to protect public health and safety and assure full compliance with the objectives of National Environmental Policy Act, as amended (NEPA) and other federal environmental laws and regulations. Continued leasing is necessary to maintain options for exploration of oil and gas as companies seek new areas for production or attempt to locate and develop previously unidentified, inaccessible or uneconomical reserves. The sale of oil and gas leases will assist the growing energy needs of the United States public. The underlying need for the proposal has been met while accomplishing the following objectives:

1. Lease where in conformance with the BLM land use plans and consistent with state and local plans.
2. Protect important wildlife habitats.
3. Protect Traditional Cultural Properties and Indian sacred sites.
4. Mitigate impacts on other resource values, including riparian areas and drinking water source protection zones.

FINDING OF NO SIGNIFICANT IMPACT DETERMINATION

Based upon a review of the EA and the supporting documents, I have determined that the project is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and do not exceed those effects described in the Final Environmental Impact Statements prepared for the Warm Springs Resource Area (WSRA) Resource Management Plan and Record of Decision (RMP/ROD) and House Range Resource Area (HRRA) RMP/ROD; the Implementation EAs prepared to supplement the WSRA and HRRA RMP/RODs, and the Oil and Gas Leasing in the FFO EA. The August 2011 Lease Sale EA tiers to and incorporates by reference, the analysis contained in these supporting documents. Therefore, an environmental impact statement is not needed.

This finding is based on the context and intensity of the proposal as described:

Context: The August 23, 2011 lease sale involves 11,112.38 acres of BLM administered lands in the FFO that by themselves do not have international, national, regional, or state-wide importance. The HRRRA and WSRA Implementation EAs developed a reasonable foreseeable development scenario and analyzed the cumulative impacts of oil and gas leasing based on that scenario. Consistent with past drilling activity, it is estimated that exploratory wells would continue to be drilled in the FFO at the rate of about one well per year for the foreseeable future. Drilling targets would continue to be primarily anticlinal structures in the eastern part of the FFO. Quantities are anticipated to be low; no oil and gas fields have been discovered in Juab or Millard counties and wildcat wells drilled in the past have not resulted in any usable discoveries. The current rate of drilling, extent of disturbance and magnitude of impacts are within the projection made in the HRRRA and WSRA Implementation EAs. The number of wells and the amount of surface disturbance that has occurred since completion of that analysis is less than predicted and remain within the range of those described in the Implementation EAs.

In addition, the cumulative impacts of these lease sale parcels have been considered and the parcels involved are about 0.46 percent of the public lands administered by the FFO. Overall, following this sale, if the ten FFO lease parcels are sold, about 8.38 percent of the public lands in Utah would be leased for oil and gas exploration and development; currently about 8.35 percent of the public lands in Utah are leased.

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

- 1. Impacts may be both beneficial and adverse.** The proposed leasing would impact resources as described in the EA. Mitigating measures to reduce impacts to other natural resources were incorporated in the leases and were based on HRRRA and WSRA RMP/RODs and their corresponding Implementation EAs and the Oil and Gas Leasing in the FFO EA. Collectively, these formed the resource protection measures identified in the EA. None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the existing NEPA documentation for leasing. Should all of the offered parcels be developed they may contribute substantially to local and regional energy supplies. Additional, site-specific NEPA analysis and further mitigation to reduce environmental impacts will be required at the Application for Permit to Drill (APD) stage.
- 2. The degree to which the selected alternative will affect public health or safety.** Leasing for oil and gas and subsequent exploration and development is an on-going activity on public lands. With the stipulations and lease notices attached to the leases and the additional NEPA analysis and potential protections applied at the APD stage, they will be developed in a way that protects public health and safety. For example, spill prevention plans will be required; drilling operations will be conducted under the safety requirements of Federal Onshore Oil and Gas Orders, and recommended

practices of the American Petroleum Institute, including blow-out preventers, well bore casings and other industry safety requirements to protect workers and public health. Environmentally responsible oil and gas operations, including health and safety, are outlined within EA section 4.2.2 (General Analysis Assumptions and Guidelines). As such, all operations, including well pad and road construction, water handling, and plugging and abandonment will be conducted following the "Gold Book" Surface Operating Standards for Oil and Gas Exploration and Development. As stated, the Gold Book provides operators with a combination of guidance and standards for ensuring compliance with agency policies and operating requirements, such as those found at 43 CFR 3000 and 36 CFR 228 Subpart E; Onshore Oil and Gas Orders (Onshore Orders); and Notices to Lessees. Included in the Gold Book are environmental best management practices; these measures are designed to provide for safe and efficient operations while minimizing undesirable impacts to the environment. For example, handling of produced water is addressed in Onshore Oil and Gas Order No. 7, which prescribes measures required for the protection of surface and ground water sources. During reclamation, if the fluids within the reserve pit have not evaporated within 90 days, the fluid would be pumped from the pit and disposed of in accordance with applicable regulations.

- 3. Unique characteristics of the geographic area such as proximity to cultural resources and Traditional Cultural Properties, recreation, visual resources, vegetation, and wildlife.** Existing records regarding cultural resources indicate that the density of cultural resources is such that it is likely that a well pad could be located on each of the lease parcels without adverse effects on cultural resources. The Utah State Historic Preservation Office (SHPO) has concurred with a determination of "No Adverse Effect" to historic properties for this lease sale. There are no other unique characteristics within or adjacent to the parcels.

The following resources and issues considered (including supplemental authorities Appendix 1 H-1790-1) are not affected because they are not present in the project area: areas of critical environmental concern, paleontology, threatened, endangered, candidate or special status plant species, solid or hazardous wastes, wild and scenic rivers, wilderness/wilderness study areas, wild horses and burros, and areas with wilderness characteristics.

In addition, the following resources and issues considered (including supplemental authorities Appendix 1 H-1790-1), although present, would not be affected by this proposed action for the reasons listed in Appendix C of the EA: environmental justice, greenhouse gas emissions, farmlands (prime/unique), floodplains, fuels/fire management, geology/mineral resources/energy production, invasive species/noxious weeds, lands/access, livestock grazing, rangeland health standards, recreation, socio-economics, soils, visual resources, water resources/quality, wetlands/and riparian zones, woodlands/forestry, and vegetation excluding US Fish and Wildlife Service (USFWS) designated species.

The Interdisciplinary Team Checklist¹ (Appendix C of the EA) contains the specialists' determinations and rationale for those elements not present or impacted by the proposal. Issues including changes brought forward by public comment or internal review are discussed at EA sections 1.7 and 5.4 and within Appendix D (Response to Public Comment). Significance thresholds were not exceeded for any resource or use of the public land.

The stipulations and lease notices added to the lease parcels including standard lease terms under the Onshore Oil and Gas Lease Orders, those developed in the WSRA RMP/ROD, HRRRA RMP/ROD, WSRA Implementation EA, HRRRA Implementation EA, and the FFO EA, and those recommended in this EA, take into account the resource values and appropriate management constraints prescribed in the RMP/RODs, as amended or supplemented.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. There is no scientific controversy over the nature of the impacts. The oil and gas exploration and development that could follow leasing is a routine practice on public lands. The nature of the activities and the resultant impacts are well understood and have been adequately analyzed and disclosed to the public through existing BLM NEPA documents and within the EA.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. As stated above, leasing and subsequent exploration and development of oil and gas is not unique or unusual. The BLM has experience implementing the oil and gas program and the environmental effects to the human environment are fully analyzed in existing NEPA documents and within the EA. Therefore, there are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. Reasonably foreseeable actions connected to the decision to lease have been considered. As stated in the description of the proposed action within EA, a lessee's right to explore and drill for oil and gas, at some location on Standard Stipulation and Controlled Surface Stipulation leases, is implied by issuance of the lease. A lessee must submit an application for permit to drill (APD) identifying the specific location and drilling plan to the BLM for approval and must possess a BLM-approved APD prior to drilling. An appropriate NEPA document is prepared prior to approval of the APD. Following BLM's approval of an APD, a lessee may produce oil and gas from a lease without additional approval. The impacts which may result from oil and gas development from leasing the parcels included in the selected alternative were considered by an interdisciplinary team within the context of past, present, and reasonably foreseeable future actions and, as stated below, significant cumulative effects are not predicted.

¹ An errata sheet was issued on 8/19/11, to correct an oversight within Appendix A, the following resource determinations were changed from not impacted to a potential impact: air quality, fish habitat, migratory birds, Threatened, Endangered, Candidate or Special Status Animal Species, and wildlife excluding USFW designated species.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership. The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable future actions. Significant cumulative effects are not predicted. A complete disclosure of the effects, including cumulative effects, of leasing the selected parcels is contained in Chapter 4 of the EA.

In summary, the EA establishes that increased surface disturbance relating to future potential operational authorizations relating to the Proposed Action alternative (leasing nominated parcels with recommended protective measures) may impact cultural resources, soils, native vegetation, and wildlife habitat and increase the risk of noxious weed invasion and spread, which in turn could exacerbate the frequency and intensity of wildland fire. It is anticipated that the additional resource protection measures associated with the Proposed Action would reduce the impacts to specific resources and areas within the cumulative impact analysis area (CIA). The minimal amount of disturbance associated with the expected level of development in the CIA, in combination with Gold Book standard operating practices, best management practices, and additional measures that would minimize development impacts, would result in a negligible cumulative impact on the resources within the CIA.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. Leasing of the parcels included in the selected alternative will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources. As discussed in item 3 above, consultation with SHPO has been completed in accordance with Section 106 of the NHPA and the SHPO has concurred with a determination of “No Adverse Effect” on historic properties. Given the requirements of the oil and gas lease orders, the land use plans and the other stipulations placed on the leases, significant scientific, cultural or historical resources would not be significantly affected. In addition, , the following has been included as a formal stipulation [Washington Office (WO) Instruction Memorandum (IM) 2005-003] on all of the lease parcels subject to this sale:

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list. BLM initiated a programmatic Section 7 consultation with the USFWS for leasing dated December 13, 2004. On December 16, 2004 the USFWS returned with a memorandum concurring with the BLM's finding of "not likely to adversely to affect" for leasing. In that consultation, BLM committed to attaching to the appropriate lease notices that were designed to manage and protect specific listed species in conjunction with the authority of the ESA and the Standard Terms and Conditions of an oil and gas lease. BLM and USFWS have agreed upon the language of the lease notice which will notify lessees of specific species that require protection under the ESA. Additional consultation occurred for the California condor in June, 2008 and one for Canada lynx in April, 2007 since they were not undertaken as part of the consultation effort in 2004. Since appropriate stipulations and lease notices for protection of wildlife have been included for the parcels to be leased, other special status species also would not be adversely affected.

In addition, the following has been included as a formal stipulation (WO IM 2002-174) on all of the lease parcels subject to this sale:

The lease may now and hereafter contain plants, animals, and their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objectives to avoid BLM approved activity that will contribute to a need to list such a species or their habitat. BLM may require modification to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligation under requirements of the Endangered Species Act as amended, 16 U. S. C. § 1531 et seq. including completion of any required procedure for conference or consultation.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements. The sale of the parcels included in the August 23, 2011 lease sale does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental assessment process.

The Paiute Tribe of Utah, Confederated Tribes of the Goshute Reservation, Kanosh Band of the Paiute Tribe, Skull Valley Goshute Tribe and the Uinta and Ouray Ute Tribe were notified via certified letter on March 30, 2011. Based on the information received, the BLM has determined that the August 2011 Oil and Gas Lease offering has no potential to affect Tribes or Traditional Cultural Properties (EA at Appendix C).

In addition, based on the emissions estimates and consideration of the parcel locations relative to population centers and Class 1 areas, no significant air resource impacts are anticipated. Detailed analysis or modeling is not warranted. [EA at section 4.3.1.1 (air quality)].

The project is consistent with applicable land management plans, policies, and programs as indicated in Chapter 1, Relationship to Statutes, Regulations and Other Plans, included in the EA. Additional consultation and coordination will be required during review and approval of site-specific proposals for oil and gas exploration, drilling and development.



Authorized Officer



Date

DECISION RECORD

It is my decision to select the proposed action alternative from EA DOI-BLM-UT-W020-2011-0009-EA. As such, 10 nominated parcels within the jurisdiction of the Fillmore Field Office are to be auctioned at the competitive oil and gas lease sale to be held at the Utah BLM State Office on August 23, 2011. The nominated parcels will be offered with additional resource protection measures consistent with the HRRRA and WSRA RMP/RODs, their Implementation EAs, and FFO EA. The stipulations and lease notices attached to each parcel are identified within EA Appendix A. This EA (DOI-BLM-UT-W020-2011-0009-EA) also fulfills the requirements outlined in the WO IM-2010-117 (leasing reform).

Parcels that are not sold at auction will be available for filing for noncompetitive lease for a 2-year period beginning August 24, 2011 [Notice of Competitive Lease Sale² (43 CFR. § 3120.6)].

Oil and gas leasing is a principal use of the public lands as identified in Section 102(a) (12), 103(1) of the Federal Land Policy and Management Act of 1976 (FLPMA), and it is conducted to meet requirements of the Mineral Leasing Act of 1920, as amended, the Mining and Minerals Policy Act of 1970, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act). My authority to make this decision is granted in 43 CFR subpart 3100 (Onshore Oil and Gas Leasing: General).

ALTERNATIVES

The EA considered two alternatives: the No Action and the Proposed Action.

The No Action alternative (not to offer any of the nominated parcels for sale) was not selected because it does not meet the purpose and need for agency action. The sale of oil and gas leases is warranted and needed to meet the growing energy needs of the United States. Furthermore, it is a stated goal of the HRRRA and WSRA RMP/RODs to provide for exploration, development, and use of minerals on public land consistent with applicable laws and regulations. In addition, this alternative does not prevent indirect impacts relating to rights of way authorizations to support oil and gas operations on adjacent leased parcels.

PLAN CONFORMANCE AND CONSISTENCY

The proposed action has been reviewed and found to be in conformance with the Warm Springs Resource Area Resource Management Plan and Record of Decision (WSRA RMP/ROD, 1987) and the House Range Resource Area Resource Management Plan and Record of Decision (HRRRA RMP/ROD, 1987). In addition, it was also found to be consistent with the DRs for the WSRA RMP Oil and Gas Leasing Implementation Environmental Assessment (WSRA Implementation EA, 1988), HRRRA RMP Oil and Gas Leasing Implementation Environmental Assessment (HRRRA Implementation EA, 1988), and the Oil and Gas Leasing in the FFO Environmental Assessment (FFO EA UT-010-2008-050, 2009).

² The Notice of Competitive Lease Sale is available online at:
http://www.blm.gov/style/medialib/blm/ut/lands_and_minerals/oil_and_gas/august_2011.Par.31310.File.dat/Notice%20for%20Sale%20August%202011.pdf

Oil and gas leasing categories are identified in each of the RMPs. The HRRA RMP (BLM 1987; page 76 and Map 9) and WSRA RMP (BLM 1986; page 45 and figures 2-12) categorize all lands in the oil and gas leasing planning area that are available for leasing. Stipulations are contained in the Implementation EAs and the FFO EA. Pursuant to 40 CFR 1508.28 and 1502.21, this EA tiered to and incorporates by reference the information and analysis contained these documents.

APPEAL LANGUAGE

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 C.F.R. Part 4 and the enclosed Form 1842-1. If an appeal is taken, the notice of appeal must be filed in this office (at the address shown on the enclosed Form) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition for a stay pursuant to 43 C.F.R. Part 4, Subpart B § 4.21, during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay must show sufficient justification based on the standards listed below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall be evaluated based on the following standards:

1. The relative harm to the parties if the stay is granted or denied;
2. The likelihood of the appellant's success on the merits;
3. The likelihood of immediate and irreparable harm if the stay is not granted; and
4. Whether the public interest favors granting the stay.

Copies of the notice of appeal, petition for stay, and statement of reasons also must be submitted to the Office of the Regional Solicitor, Intermountain Region, 125 South State Street, Suite 6201, Salt Lake City, Utah 84138, at the same time the original documents are filed in this office.



Authorized Officer

9-29-11

Date